

AMERICAN TRADE RELATIONS WITH NIGERIA

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**U.S.-Nigeria Joint Economic Partnership Committee
Washington, D.C.**

December 7, 2000

Good afternoon, Honorable Ministers, and distinguished guests. I am very pleased to be here with you today. For the United States this meeting is an important opportunity to continue the work that we began in 1999 following Nigeria's historic transition to democracy.

I am pleased that the JEPC focuses on important initiatives that we can undertake together to ensure that Nigeria realizes dividends from the reforms that it has undertaken. While much remains to be done, I applaud the sacrifices and the progress that Nigeria has already made to restore strong democratic and economic institutions. We are all aware that Nigeria has traveled a hard and difficult road over the past ten years. The break with the past cannot be easy, and the path of reform will inevitably have setbacks and moments of frustration. Despite the set-backs and challenges, I believe that this is a time of great promise and opportunity for Nigeria-- and for the U.S.- Nigeria economic relationship. It is important that our bilateral agenda continues to focus on ways in which to address the challenges, while seizing the opportunities.

The new millennium finds Nigeria charting a new course for its economic future. Nigeria, with its enormous intellectual capital and entrepreneurial spirit, has recognized the vitally important role that international trade can play in generating economic growth and is taking steps to liberalize its economy and realize opportunities offered by globalization. The new Nigeria is an important and influential leader in both Africa and the developing world. President Clinton has elevated the economic partnership with Nigeria to the forefront of our policy agenda. Nigeria is a valued partner in peacekeeping, the worldwide fight against crime and corruption, and the development of a world trading system. I am certain that both our histories will record the symbolic and substantive importance of President Clinton's visit to Nigeria last August.

Under President Clinton and President Obasanjo's leadership, we have made tremendous progress in developing a sustainable framework for a closer economic relationship. In addition to the Joint Economic Partnership Committee created in November 1999, I was honored to sign the U.S.- Nigeria Trade Investment Framework Agreement, with Vice President Abubakar last February. In June my Deputy U.S. Trade Representative Susan Esserman led a U.S. delegation to Nigeria, inaugurating with Commerce Minister Bello, the first U.S. -Nigeria TIFA Council Meeting. Our TIFA and other bilateral initiatives have produced concrete gains and mutually beneficial opportunities--most notably the Generalized System of Preferences Program (GSP) and the African Growth and Opportunity Act.

- In August, Nigeria was accorded trade benefits under the U.S. Generalized System of Preferences Program. The GSP is our standard duty-free program for developing countries. This alone made about 4,700 types of Nigerian products eligible for duty-free treatment in the United States.
- In October, Nigeria was designated to receive additional trade benefits under the African Growth and Opportunity Act. Under AGOA no other region of the world will have better access to the U.S. market than Nigeria and 33 other sub-Saharan African countries, aside from a handful of countries with whom we have free trade agreements. The Act dramatically increases—by nearly two-thousand—the number of African products eligible to enter the U.S. market on a duty-free basis. As a result, the Act has the potential to increase and diversify significantly U.S.-Africa trade and investment. Exports of agriculture and manufactured goods could rise by billions of dollars. And, expanded access under AGOA to the world’s largest market should result in new jobs, skill enhancement, the introduction of new technologies, and new investment in Africa.
- S** AGOA has spurred U.S. companies to take a new look at a new Nigeria. I understand that a major non-oil potential U.S. investor is scheduled to lead a delegation to Nigeria next week. Others have come before him and other will follow as long as Nigeria creates an environment for the people and the private sector to develop.
- S** Taken together, these measures will give individual Nigerian businesses and farmers an unprecedented set of opportunities to succeed in the American market. As time passes, they will also give Nigeria a chance to balance energy exports with larger-scale exports of manufactured goods and agricultural commodities, thus reducing Nigeria’s vulnerability to inevitable swings in the price of oil.

The responsibility to seize these and other opportunities lies with Nigeria. Our experience shows that the most open economies grow fastest, create new and innovative businesses most efficiently, and reduce poverty most effectively. Likewise, Nigeria’s success in attracting trade and investment will depend upon expanding its participation in regional and world markets. For this and other reasons, Nigeria and other African nations have an important stake in international and regional trade agreements, trade policies at the global level, and further global trade negotiations to reduce barriers and create larger markets for their goods. The World Trade Organization establishes the framework of rules and rights among governments within which commercial trade operates as well as mechanisms for negotiating reductions in trade barriers. Active participation in the WTO will enable Nigeria to manage its interests in a global economy and maximize the benefits of AGOA and global

trade. If Nigeria is to achieve economic growth through trade, it must participate in the WTO, not shrink from it.

There is simply no substitute for active membership in the WTO. Africa's active participation in these 21st century agreements would send a powerful signal to international investors about Africa's resolve to create enabling environments for investment and trade.

And, I genuinely believe that we share with Africa an interest in broader negotiations that go beyond the build-in agenda of agriculture and services. For example, WTO negotiations to reduce tariff and non-tariff barriers on industrial goods would facilitate Africa quest for new market opportunities. Moreover, without a broader round that includes such areas as industrial market access negotiations, other countries may not have the flexibility to make real reform in agriculture. A new round would establish momentum in the WTO to achieve results that would reinforce the reforms underway in Africa. With globalization and with the shrinking of borders, all of us increasingly confront common issues and concerns. We seek to address these concerns as well as issues of particular interest to Africa. We will work in partnership with Africa to launch a new round of trade negotiations, and we urge Africa to take an active role in this process.

I am pleased that through the TIFA, the U.S. and Nigeria are pursuing a common agenda in the WTO. The U.S. recognizes that developed countries also have a responsibility to assure active African participation in world trade. This principle undergirds our commitment in offering unprecedented broad access to our market under AGOA and in providing over \$600 million dollars in the past two years on trade related technical assistance and capacity-building programs for developing and transitional economies. And, indeed one of our most successful WTO technical assistance workshops in Africa took place in June during Ambassador Esserman's visit to Nigeria.

But there is also no substitute for a good-faith effort by the industrial countries to help create a world trading environment that allows countries which do the right thing to succeed. This is the foundation of our Nigerian trade policies. They are embodied in the broad African trade and investment policy President Clinton launched several years ago and in the African Growth and Opportunity Act, which will form the basis of a bipartisan American economic policy in Africa in the next Administration.

In conclusion, we have before us now, unprecedented opportunities to strengthen and diversify the U.S. Nigeria trade relationship. Nigeria has an unprecedented opportunity to assume its rightful place in the global economy, including by playing a leadership role in the WTO. We must build on the foundation that we have laid, address honestly and openly the challenges and impediments ahead of us, and continue to work in the spirit of partnership in which AGOA, JEPC, and the TIFA were conceived.

It is a moment which requires courage and perseverance; but it is also one of hope and renewal, and a time at which Nigeria has steadfast friends. Americans realize that as Africa's largest nation and most richly endowed economy, Nigeria's success is crucial to all of Africa. We understand the great potential of our relationship; and our meeting today is a sign of our commitment to Nigeria and our confidence in your future.

Once again, I thank you very much.